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THE TV SCANDALS
THE EDITORS

THE INTERNATIONAL POWER ELITE
HOBERT P. STURM and FRANCIS D. WORMUTH

COMMENT
BY THE EDITORS

Is Conviction Enough?
H. H. WILSON

EDITORS . . . LEO HUBERMAN . . . PAUL M. SWEEZY

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NOTES FROM THE EDITORS

Almost four years ago, in the February 1956 issue of MR, we ran an article by Jay Sykes entitled "Post-McCarthy Delusions of Liberty." Mr. Sykes pointed out that the eclipse of McCarthy, the man, did not spell the end of McCarthy*ism,* which had, in fact, become institutionalized. We were reminded of this on November 10 when Lloyd Barenblatt began a 6-month jail sentence for contempt for his refusal, in 1954, to discuss his own political affiliations with, or become an informer for, the House Un-American Activities Committee. The imprisonment of Barenblatt and the fact that as many as thirty-odd other defendants who stood fast on First Amendment grounds may soon follow him to jail is no longer front-page news; with the witch hunt *institutionalized,* apathy reigns. We urge you to do what you can to help Willard Uphaus, Carl Braden, Harvey O'Connor, Pete Seeger, William Price, and the other victims of the inquisition, by sending contributions to the Committee of First Amendment Defendants, P.O. Box 564, Radio City Station, New York 19, N. Y.

The witchhunt takes on a particularly vicious twist in the South where the reactionaries are fighting integration with the kind of tactics which would

(*continued on inside back cover*)

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THE TV SCANDALS

To discover the real meaning of the TV quiz scandals it is necessary to analyze not only what was done by those responsible for staging the shows but also the reactions of the viewing public which responded so favorably to them when they were on the air and is now equally fascinated by the revelation of their crookedness.

On the production side we have to do with at least four distinct groups: (1) the sponsors (abetted by their advertising agencies) which paid for the shows and reaped the benefits of their popularity in the form of increased sales and profits; (2) the producers who thought up the ideas for the shows and actually put them on the air; (3) the networks which provided the time and the services of their affiliated stations; and finally (4) the contestants who supplied the dramatic element.

The published evidence leaves no doubt that every one of these groups is deeply implicated in the scandals. The quiz shows were probably the biggest bonanzas that advertisers have ever stumbled across. Charles Van Doren became one of the most popular of all TV performers. For a fourteen-week stand he was paid $129,000, or less than ten thousand a week, which is dirt cheap from the sponsors' point of view. They had every interest in seeing that the "right" kind of personality was selected and used to maximum advantage—which only means that they had every interest in rigging the shows to get the most for the least. The testimony, particularly graphic in the Revlon case, shows that they pursued this interest without scruple and without let-up.

Producers of TV shows dwell in a kind of competitive jungle, seeking caches of fabulous wealth and stalked by the wild beasts of bankruptcy. The pressure for a top spot on the audience ratings is at all times intense. Whatever is done can be justified as essential to survival. Like Hobbes's state of nature, this is a world in which morals have no place. Deception and lying are so common that they are no longer even recognized as such. The statement issued to the press (*New York Times,* November 9) by Albert Freedman, producer of "Twenty-One" (the Van Doren show), would be unimaginable in any other context. Mr. Freedman simply cannot understand what all the fuss is about. "My position as producer," he said, "was to pro-

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duce the best show I possibly could. The sponsor and his agency were very happy because they sold a great quantity of their product. The network was very happy because it had a top-rated show. Many of the contestants made more money than ever expected. . . . And the television quiz audience was apparently happy because these shows were exciting." To achieve these "very happy" results for all concerned, "There were times when a certain amount of control was necessary to sustain interest and suspense." But to call this "fraud and deception" is all wrong: "The entertainment field, from time immemorial has been based on showmanship, spectacle and illusion. . . . Everyone knows that the magician doesn't saw the lady in half." If Mr. Freedman doesn't know the difference between contest and drama, between swindler and playwright—and he obviously doesn't—the reason must be because in the field of TV these distinctions have ceased to exist. Why did he lie about all this when called before a grand jury? The answer, Mr. Freedman thinks, must be obvious. He lied in order to protect the contestants: "I felt that I had the same relationship to them as the doctor to his patient, as the newspaper man to his news source or the lawyer to his client." By the same reasoning a lawyer could hire a client to commit murder and then lie about it on the ground of the sacredness of the lawyer-client relationship!

Mr. Freedman evidently lives in a world which not only has ceased to observe traditional bourgeois standards of morality but has actually ceased to recognize them. And, ironically, no one has passed a more severe judgment on the quality of the products of that world than Mr. Freedman himself. "In the field of TV programming, saturated with murder and violence, it is my opinion that the quiz shows, as entertainment, were a breath of fresh air." Who can disagree? And who can resist the profound sense of anger and shame that such a statement must evoke?

Little needs to be said about the role of the networks, except that it has been cowardly and contemptible throughout. In Mr. Freedman's words, they were very happy because they had top-rated shows, and that was the absolute limit of their interest. For the rest, like the three monkeys, they saw no evil, heard no evil, and spoke no evil—even long after the Stempel confessions, the beginning of the grand jury investigation, and the open airing of the scandals in the press. The appropriate footnote from yesterday's newspaper is a headline on the financial page of the *New York Herald Tribune* (No-

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vember 12): PEAK SALES, NET POSTED BY C.B.S. Broadcasting is a business and the purpose of business is to make profits, not to uphold principles or improve morals. Let the behavior of the networks stand as a classic illustration of this truth, which is so often obscured or forgotten in this day of Madison Avenue-contrived "corporate images." Let the eulogists of the "corporate soul" find the manifestations of that metaphysical entity in the self-serving evasions and apologetics of CBS and NBC throughout this whole sordid affair.

And now we come to the contestants. They were a selection from the American public but by no means a random selection. "The contestants had to pass very stiff examinations in order to appear on the shows," we read in the Freedman statement. "We had over 100,000 applications and only the most brilliant were chosen." And according to Richard N. Goodwin, chief investigator for the House committee that conducted hearings on the scandals, the kind of people sought as contestants were "people from good backgrounds, people whose professions or jobs depended upon the faith and trust of others." (*Life,* November 16.) The contestants, in other words, were respectable and respected citizens whose intelligence and education were certainly far above the average for the population as a whole. It was thus an elite of brains and worth, not of wealth or glamor or power, that was selected to match wits before the vast audiences which the quiz shows commanded. And therein lies one of the saddest aspects of the whole sad business. For among all these "superior" people there is no record that even one refused to participate when the true nature of the shows was discovered. "We found no one," reports Goodwin on behalf of the House investigating committee, "who refused *Twenty-One's* money." Herbert Stempel, the college student who finally spilled the beans, did not do so while he was winning money (almost $50,000); and his motives for talking, when he finally decided to, were they remorse and shame? Or were they anger at the producer and resentment and jealousy of Van Doren to whom he was ordered to lose and who went on to win so much more than he, Stempel, had been allowed to win?

As for Van Doren himself, it is hard to imagine a more ignominious spectacle of moral bankruptcy. Greedy for money and fame, and at the same time wanting all the advantages of the family name and of a teaching position at one of the country's leading institutions of higher learning, he deliberately entered into a conspiracy to deceive the public and acted out his share of the swindle with ap-

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parent gusto and relish. When called before a grand jury he lied about everything, and then sought to use his lying under oath as proof to the public of his lofty innocence. Finally, when the jig was up and further lying extremely hazardous, his conscience overcame him and he confessed all in a scene which, for nauseating sentimentality, rivals anything that ever came out of Hollywood. The best that can be said for Van Doren is that he only did what many others were doing and had the misfortune to be put on the spot because he was more successful than the rest. But far from being an excuse for Van Doren's behavior, this is merely an indictment of that whole "superior" group of contestants which Van Doren so aptly symbolizes. Their morality, like that of everyone else involved, turned out in the final analysis to be the morality of hard cash.

What of the reactions of the great public which participated in the quiz shows—and in their exposure—as viewers rather than as producers or actors? We do not pretend to be experts or to have any special insights in this field. But we have kept our eyes and ears open, trying to pick up whatever bits of evidence might come our way, and unfortunately nothing very cheerful or encouraging has yet been gleaned. "God bless you," said Representative Oren Harris, chairman of the House investigating committee, to Van Doren as he finished his testimony. This is the same gentleman who last year wound up testimony of ex-Federal Communications Commissioner Richard A. Mack by offering "deepest sympathy" and "best wishes" to the witness. Mack had just recently been caught red-handed taking money from the representative of an applicant to the FCC for a TV license. It is also the same Harris who before investigating the FCC found it prudent to dispose of stock in an Arkansas TV station which had been the recipient of special favors from the FCC. If Representative Harris is a fair sample, Congressmen, presumably another elite group of Americans, seem to have a deep fellow-feeling for people who get into trouble making a pile by methods other than the time-honored but ineffectual one of saving and investment.

Students in a New Jersey high school, we learn from a story in the *New York Times* of November 12th, when queried about their attitude toward the TV scandals by their history teacher, "argued that 'since there's nothing illegal about rigging a quiz show and the money's tempting, it's pretty hard to condemn the practice.'" Unfortunately, there is no reason to believe that high school students elsewhere have a different view. Nor have soundings of the "man in the

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street" revealed notably higher standards. The New York *Daily News* sent its inquiring reporter out to ask passers-by: "What would you do if you had a chance to appear on a rigged program?" Five out of six replied that they would certainly accept the money. (A French newspaper writer, reporting this story, added, "I would like very much to see the sixth one"!*)

From all indications, it would seem that the morality of the TV industry and of the contestants is also the morality of the TV-viewing public. Could it even be that the enormous popularity of Charles Van Doren and the other big quiz-show winners stemmed less from their (synthetic) ability to answer all those hard questions than from the fact that they were getting-rich-quick right in front of everyone's eyes and thereby assuring their audience of the substantiality of the American dream? It is at least a plausible hypothesis.

The generally low level of moral standards revealed by the TV scandals has of course not gone unnoticed by editorial writers, pundits, preachers, and other keepers of the public conscience. The *Herald Tribune* (November 3) deplores "the current debasement of taste and deterioration of all standards except the fast sell." Van Doren's guilt, we read in the Salt Lake City *Deseret News* of the same day, "is the symbol of a society in which the easy way, the get-something-for-nothing spirit, the shady deal, becomes increasingly acceptable as long as a man can get away with it." "In all walks of life," the Rev. Dr. Louis I. Newman is quoted as telling his congregation, "among the high-placed and the lowly, the shallow techniques of the public relations coterie and of reckless advertisers have taken hold." (*New York Times,* November 8.)

If we ask why all these disagreeable things have been happening, however, we get precious little enlightenment. The TV industry has misbehaved, but apart from specific abuses it cannot be blamed for giving the people what they want. Some advertisers go too far, but no editorial writers would dream of questioning the beneficence of advertising as such. The real trouble, they imply, lies much deeper. Behind all the fakery and skulduggery of American life today lies a degeneration of values which affects everyone and for which everyone is responsible. Here at last we find the real guilty party—it is "all of us." The remedy is then clear: "we" must purify our souls

* *France-Observateur,* November 5, 1959. The wording of the question is re-translated from the French and may not be exactly the same as the original.

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and dedicate ourselves to higher values. In the meantime, of course, business is to proceed as usual.

This is the kind of maggoty logic that passes for wisdom nowadays, at least in high places. And yet there are plenty of signs that more and more people are getting fed up with this diet of Sunday-school stories. No one can read the editorial page of the *New York Times,* for example, without being struck by the much higher quality of the letters to the editor than the writings of the editor. Imagine the latter—or any other American newspaper editor for that matter—saying in an editorial what Victor E. King of Old Lyme, Connecticut, says in a letter published in the *Times* of November 7th. After congratulating the *Times* for "placing most of the blame for the personal tragedy of Charles Van Doren squarely upon the radio-television industry," Mr. King proceeds as follows:

> But why stop there? Why not place at least equal blame on the sponsors? Is it they who make the real killings. Nor are quiz shows the only dishonest programs. And what about the commercials? Is it not high time we rebelled against the steady diet of fraudulent claims, lies, false statistics and dangerous nonsense which we are fed in the name of the great gods of advertising?

More recently, the *Times* has gone so far as to publish an article in its Sunday magazine section which comes right out and says where "we" get our distorted sense of values from. Commenting on "the domination of the market place and the ubiquity of the salesman's ethic," Professor Charles Frankel of the Columbia philosophy department concludes that

> those who determine what products to make, and those who determine how to sell them, do in fact make social decisions. Despite the repeated claim of many of them that no one has a right to impose his own value-judgments on the public, this is precisely what they are doing. Unknown to themselves, they are the makers of our tastes and the educators of our souls. ("Is It Just TV—Or Most of Us?", *New York Times Magazine,* November 15.)

This is precisely the point, and it makes nonsense of all the moralizing and preaching of the editorial writers and the ministers. The values and moral standards of the American people are mass produced on Madison Avenue as surely as their cars are mass produced in Detroit. And it is ignorance, stupidity, or the worst kind of

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hypocrisy to pretend that "we" are responsible for a system of which in fact we are the chief and intended victims.

But neither Mr. King nor Professor Frankel draws the obvious conclusion from his own analysis. "Let us have more integrity in industry and business," pleads Mr. King. And Professor Frankel makes essentially the same point when he says that since sellers and advertisers are the makers of our tastes and the educators of our souls, "it makes sense to ask for a degree of moral responsibility from them which they have not so far shown in their use of an instrument as powerful as television."

In our view, this is precisely what does *not* make sense. Once again: the purpose of business is to make profits. If integrity and moral responsibility help, businessmen can be counted on to display these qualities—and without admonition or exhortation. If they get *in the way of making profits, they will be absent from business behavior* regardless of the volume of pleading and preaching. The real question is: do they help or do they get in the way?

There was a time when the American economy was largely competitive and expanding rapidly. Under the circumstances, any goods and services that met a real need could find a ready market. It paid a producer who meant to stay in business to turn out a good product and sell it on its merits. Over large parts of the economy, integrity and moral responsibility were positive business assets.

But this is a far cry from the state of the American economy today. The bulk of production is now carried on by a few hundred giant corporations which can and do set their prices to break even at very low levels of operation and to make enormous profits at capacity operation. This very system of pricing chokes off demand, and the need to protect monopolistic positions inhibits investment. Under *these* circumstances, the making of a good product that meets a real need is not enough. The problem is no longer a shortage of products to meet an existing demand but a shortage of demand for existing products. The businessman inevitably turns his attention from creating goods to creating markets, and in *this* undertaking integrity and moral responsibility are, as has become plain, fatal liabilities. A well-made, long-lasting article meets a need, but it spoils a potential market. This fact alone is enough to banish integrity from business behavior. Catering to artificially stimulated wants, no matter how trivial or harmful, is as profitable as, and frequently more profitable than, satisfying genuine needs. This fact alone is enough to guarantee

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the moral *irresponsibility* of business. Can you imagine a morally responsible campaign to sell a remedy for "tired blood"? A fantastic example perhaps? Not quite—it just happens to have been the product that Charles Van Doren was selling by his great intellectual feats on "Twenty-One."

The whole point was put in a nutshell by Professor Seymour E. Harris, Chairman of the Harvard economics department, in an article entitled "Can We Prosper Without Arms?" which appeared in the *New York Times Magazine* of November 8th: "A high rate of investment would increase the nation's productive capacity. . . . But our private economy is faced with the tough problem of selling what it can produce. This is the reason for Madison Avenue." Quite so, and it is also the reason why neither Madison Avenue nor the clients of Madison Avenue can afford the luxury of integrity or moral responsibility.

Adam Smith argued, with cogency for his day, that if everyone pursued his own private interests he would be led, "as if by an invisible hand," to serve the public interest. Nothing could be further from the truth today. When the giant corporation of today pursues its own private interests—as it must by the very law of its being—it is led by a not so invisible hand to degrade and corrupt the moral standards of a public which is completely dependent on it not only for jobs and material goods but also for the "food of the mind." This is the plain lesson of the TV scandals, and there must be many Americans who are now ready and able to learn it.

Readers will hardly need to be told that this analysis carries its own conclusion. If the root of what even the *New York Times* calls the "sickness" of our society is the giant private, profit-making corporation, then this institution which has been shown to be incompatible with the health of society must either be destroyed or taken over by the public and integrated into an economy planned to serve the real needs of the people. There are still a few old-fashioned liberals who believe in the possibility and desirability of destroying giant corporations by means of the antitrust laws. But their number is rapidly dwindling. There are as yet only a few who believe in the possibility and desirability of public ownership and economic planning. The job of everyone who understands the real issues raised by the TV scandals is to use this greatest of all public spectacles to increase their number to the maximum possible extent.

But it is not necessary in this case to confine one's efforts to the

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long-run problem of basic economic reform. There is an immediate reform which could be adopted within the framework of the present system and which could not but have a salutary effect on the public's pleasure, education, and morals—and in the longer run on the public's understanding of its real interests. This is the creation of a nationwide, government-owned radio-television network under an authority representative of the best elements in the worlds of education, the arts, and entertainment. That this is no revolutionary proposal goes without saying. Both Britain and Canada have long had government-owned networks, and in both cases they were founded by conservative governments. Their performance has been infinitely superior to that of the private American networks. The creation of an American counterpart should become one of the leading demands of everyone who recognizes the seriousness of the present situation and understands the futility, or worse, of relying on the TV industry or its man Friday, the Federal Communications Commission, to initiate and carry through serious reforms. (November 16, 1959)

"Impossible is it—impossible, Atheneans, to acquire solid power by injustice and perjury and falsehood. Such things last for once, or for a short period; may be they blossom fairly with hope, but in time they are discovered and drop away.

As a house, a ship, or the like, ought to have the lower parts firmest, so in human conduct, I ween the foundation should be Justice and Truth.

—*From the Second Olynthiac by Demosthenes, 384-322 B.C.*

B.C. = Before Capitalism?

Everything is a racket today. Everybody has a racket of his own. The stock market is a racket. Why don't they make everything legal?

Testimony of Willie Moretti, gangster, before the Kefauver Committee

They have, Willie. Rest in peace.

It was said at City Hall that more than 100 butchers had paid money to personnel of the Weights and Measures Bureau to have a free hand to cheat housewives. . . .

Elaborating on the operation of the racket, Mr. Silver said that when butchers protested the monthly payment they had been told they had no other choice but to be honest and go out of business.

He quoted an inspector as having told Mr. Seligman: "If you don't pay up you will have to give sixteen ounces to a pound, and you know you can't exist that way."

—*New York Times, November 19, 1959*

Sixteen ounces to a pound? What are you—a Red?

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THE INTERNATIONAL POWER ELITE

BY HOBERT P. STURM AND
FRANCIS D. WORMUTH

A cogent editorial in the May, 1959, MONTHLY REVIEW ("Whom the Gods Would Destroy") argues that the European policy currently followed by the United States is self-defeating. The United States can have influence in Europe only by joining the Soviet Union in the repression of Germany. Our policy of promoting German hegemony in Western Europe will enable Germany to emancipate herself. The Soviet Union will then settle the European question with Germany; and Germany will turn westward, challenging the United States for the domination of the capitalist world.

In terms of the traditional assumptions of American foreign policy, the argument is sound. We did not fight two wars to prevent the unification of Europe under German auspices merely because of revulsion at German *Kultur,* although it was of course necessary for the molders of opinion to arouse such revulsion. What moved our decision-makers was the obvious consequence of a German victory. If Western Europe were organized and directed by Germany, the world power structure would be radically altered. More specially, Latin America, the Achilles' heel of the United States, would be irresistibly drawn into the European orbit. The European and Latin American economies are complementary. Only with difficulty have we maintained the political neutralization of Latin America at which the Monroe Doctrine aims, against the gravitational pull of a divided Europe. A Western Europe united under Germany would outweigh us. When war broke out in 1914, Walter H. Page, our Ambassador in London, wrote to Colonel House: "If Germany should win, our Monroe Doctrine would at once be shot in two."

Similar considerations led the British to follow their historic policy of maintaining the division of Europe. No more than Latin America could the British Empire resist a Europe united under a single command, whether that of Napoleon, Wilhelm II, or Hitler.

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This coincidence of interest made the United States and Great Britain allies in two anti-German wars. Why has the United States made a sharp break with its settled policy and its obvious national interest?

The editors of MONTHLY REVIEW conclude that our ruling class has lost all grip on reality. It is defeated and declining and like all declining classes invents an imaginary world and contrives an aberrant program.

If we took the statements of apologists for official policy at face value, certainly no explanation short of insanity could be found. There is no important difference between the more sophisticated versions and those aimed at the semi-literate. We are told that war and conquest were invented by Stalin, perhaps also by Marx, Lenin, and Khrushchev. The explanation of international dissension is a new ideology which has destroyed the Golden Age of Christianity and democracy in Russia, China, and Central Europe, and presses unrelentingly on the frontiers of what remains of Eden. The Free World has a common interest in maintaining its heritage: NATO, SEATO, and the rest attest it.

Formal apologies for a policy are seldom scrupulously true; but ordinarily there is a policy behind them. The policy need not be stupid or insane merely because an intelligent and informed man cannot believe the apologies. It can be argued that the new policy of the United States reflects a new interest on the part of those in the seats of power, an interest which will be served by European unification and the scrapping of the Monroe Doctrine. It certainly can be shown that the prevailing ideology is faithfully tailored to the service of such an interest.

C. Wright Mills has described the eclipse of local elites in the United States and the emergence of a national power elite. This elite has only imperfectly institutionalized itself. It has found lodgment in the executive branch of the government and the military. This fact, coupled with the acquiescence of the legislature in its own impotence, produces the executive usurpation which has replaced constitutional government since the latest war.

But is there not an international power elite, which has already displaced the national power elites of Mills? The United States became a creditor nation with World War I: the tendrils of finance reached out at that time and intertwined with British and French interests. But Germany was the destined partner. The intrinsic strength of German industry led to the formation of international cartels

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which endured even the strain of World War II. At the same time, her financial vulnerability after defeat in two wars exposed her to the invasions of finance capital. During the 1930s British financial interests believed that they could find expression through Germany as well as Great Britain: Munich seemed to promise a political reorganization of Central Europe by Germany along with a financial reorganization by the City of London. These hopes had their German counterpart, as the flight of Hess to Great Britain at the height of the war showed.

American capital also courted the German *Fraülein* who so suddenly became an Amazon. John Foster Dulles, apologist in the 1930s for the Axis powers, was the liaison man between the Germans and the American aspirants to the status of international elite. But these did not yet have power even in America. The death of Roosevelt plus two puppet presidents made possible the achievement of Dulles —the abandonment of the Monroe Doctrine and the preparation of the European union for which Wilhelm II and Hitler strove.

Precise data are not available, but it is known that Italian industry is in great part American-owned, and that German industry and segments of American industry and finance are closely linked. The stream of ownership and association passes discreetly through Switzerland, which according to news reports is overrun with men in Brooks Brothers suits.

If there is an international power elite, a colossus with one foot in the United States and one foot in Germany, from the point of view of this elite the Monroe Doctrine is obsolete. A collision of interest between the United States and Germany is, from this point of view, a meaningless conception. Only at a subaltern level do Chevrolets compete with Pontiacs; General Motors profits from either.

We are accustomed to attribute to a power elite a stable and ordinarily a recognized position in a more or less rigid social order. Since no international power elite has yet achieved such secure tenure we are likely to doubt its existence. But in fact a power elite is not necessarily the top stage of a static social pyramid. The power of making decisions is a function not only of the strategic position of the decision-makers but of the flow of events which call for decision, and the complex social response to this flow of events. Circumstances may produce problems which an elite is by its very nature incapable of solving. In this case, barring social collapse, it is displaced by another elite. The rapid succession of elites during the French Revolution

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was a consequence of shifts in problems, principally in international relations: the monarchy, the Girondins, and the Jacobins were in turn confronted with issues which they could not have mastered except by surrendering their power; and they fell.

Conversely, a favorable conjunction of affairs creates a new elite. In 1679 the allegations of Titus Oates brought the Whigs to power in England; in 1683 the allegations concerning the Rye House plot brought the Tories in. The power elite which currently dominates the United States and West Germany owes its position to the cold war and the policies that war implies. The elite created and perpetuates the cold war.

A power elite need not represent the bulk of property in a society. As a matter of fact, the great weight of industrial and financial capital in the United States lies outside the strategically placed interests—Wall Street, Big Steel, chemicals, and oil—that dominate American policy. Spokesmen for domestic interests—Ernest Weir of Little Steel, Cyrus Eaton of transportation, Marriner Eccles of Western banking—have protested in vain against a foreign policy which sacrifices native American interests. While he lived, Senator Taft was the representative of an "isolationism" which would have preferred American interests to a spurious "internationalism" dressed in the shroud of Woodrow Wilson—an internationalism which is the expression of an international power elite. Nevertheless our current power elite has held our society captive by two means.

Our economy suffers from a systemic disease which requires huge —and apparently increasing—government expenditures, if a tolerable level of employment of resources and labor is to be maintained. Since the objects of these expenditures were originally determined by the exigencies of war, it is the war industries, such as aircraft, that are prosperous enough and powerful enough to dictate appropriations. In the same industries unions are strong; and to maintain employment the unions also demand defense expenditures. But none of this would be possible without the cold war. Domestic manufacture and labor are thus made tributary to the power elite. Whereas the international power elite itself is in the main Republican, the Democrats have been the eager agents in the popular cause of wasteful expenditure and have delivered over industry and votes to the power elite.

The irrationality of the armaments race can easily be demonstrated on the intellectual level; but matters never reach this point. Patriotism is the first test of fitness for employment in the commu-

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nications industry, and the only universally acceptable content of patriotism is hatred of an external enemy. Since President Truman's message on Greece in 1947, patriotism has meant hatred of the Soviet Union. Since that date the popular press, radio, and television have promoted the cold war with a single voice. Of course the people respond. The suggestion that hatred will not solve international problems is enough to doom a politician.

It is easier to understand the ready capitulation of professional communication, which is after all a branch of the entertainment industry, than the abject surrender of social scientists; but for the most part these too have embraced with eager servility a view of the world compounded of Walt Disney and J. Edgar Hoover. This command of opinion is the second prop of the position of the international power elite.

Installed and entrenched by the cold war, the power elite is not moving into a decline: it is entering its greatest day. We should look forward, as William Benton advises, to a defense and foreign aid budget of twice the present size within five years, with its prosperous consequences for the few. We may anticipate the rationalization of the European economy and the cartelization of the "Free World." This will involve the orderly—*i.e.* noncompetitive—exploitation of the resources and markets of the colonial world. It seems likely that the colonial countries, progressively impoverished and burdened with unsupportable populations, will resist, and in a bipolar world will seek the assistance of the Soviet Union.

It is altogether futile to expect our power elite to agree to the termination of the cold war or even the relaxation of tension. This would bring them down. In view of the command they hold over the expression of opinion in the United States, it is hardly foreseeable that they and their policy will be unseated here. But Great Britain has consumed her capital in two wars and has no place in the international power elite; she has more reason than ever to resist the unification of Europe. France might conceivably summon the resolution to resume the pro-French policy last expressed in the rejection of the European Defense Community. It is possible that a native base of power might be re-established in Germany, in which case the forecast of MONTHLY REVIEW would prove to be correct, and the United States would pay the penalty for abandoning the Monroe Doctrine.

But as matters stand, the Free World, NATO, SEATO, the Baghdad Pact, the Eisenhower doctrine are not simply shams. Behind the

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jargon of freedom and the pretense of military effectiveness lies the reality of increasing economic integration, directed not in any real sense by the United States but by interests genuinely cosmopolitan. Imperial Rome saw her capital shifted to Byzantium; we may see the center of our world move to Geneva or to Bonn.

COMMENT

BY THE EDITORS

With much of the foregoing article by Professors Sturm and Wormuth we are in agreement, and all of it we found highly interesting. Nevertheless, they do not persuade us of the usefulness of the central concept.

It appears to us that what they have done is to infer the existence of an "international power elite" from the policies pursued by the American and West German governments, and then to attribute to this supposed international elite the responsibility for formulating and carrying out the policies which are to be explained. The only independent evidence for the existence of the elite is contained in the brief paragraph beginning "Precise data are not available" on page 284. There can, of course, be no doubt that American Big Business and West German Big Business are closely interlocked by ties of ownership, cartel agreements, and so on. But this is nothing new, and we see no reason to assume that either the Americans or the Germans are more internationally minded now than they have been in the past, or that they now constitute a cohesive group with common interests and aspirations in some sense that has not previously been true. (If the term "elite" does not refer to a group with such characteristics, then it is very hard indeed to attach any definite meaning to it.) Under the circumstances, we can only conclude that the "international power elite" concept is a rather empty one.

Our own explanation of American and West German policies is rather different. It seems to us that the decisive sections of the American ruling class—probably correctly identified by Sturm and

(*Continued on Page* 290)

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(*Continued from Page* 287)

Wormuth as Wall Street, Big Steel, chemicals, and oil—have (mistakenly) believed that the United States is strong enough to organize the whole capitalist world for an eventual showdown with the socialist bloc, and that from this showdown would come global American hegemony. Pursuing this goal, naturally led to advocacy of Western European unity under Germany's sub-leadership. The West Germans, for their part, have been and will continue to be happy to play along with this policy until they have squeezed all they can out of the United States. When that time comes they will send Washington to hell and look out for themselves again, as they always have in the past (though not always intelligently or successfully). The United States will then be caught in a trap of its own making, very possibly —as Sturm and Wormuth suggest—with even Latin America irretrievably lost.

If our interpretation is correct, the American ruling class has not lost *all* sense of reality. The policy in question would be rational enough if the United States were several times as powerful as it actually is. The error is merely a fatal misjudgment of the real balance of forces in the world that is emerging from World War II and the Chinese Revolution. This, rather than the appearance on the scene of an international power elite, seems to us to be the real explanation of the defeats and disasters which America's world policy has suffered in recent years.

One final word: we have always held, and still do, that the American ruling class may eventually learn from experience and adopt a policy more conducive to survival. We even permit ourselves to hope that recent developments may mean that a process of "agonizing reappraisal"—to borrow one of Dulles's more expressive phrases—is at long last getting under way.

If you ask me—as a historian, let us say—whether a country in the state this country is in today, with no highly developed sense of national purpose, with the overwhelming accent of life on personal comfort and amusement, with a dearth of public services and a surfeit of privately sold gadgetry, with a chaotic transportation system, with its great urban areas being gradually disintegrated by the headlong switch to motor transportation, with an educational system where quality has been extensively sacrificed to quantity, and with insufficient social discipline even to keep its major industries functioning without grievous interruptions—if you ask me whether such a country has, over the long run, good chances of competing with a purposeful, serious and disciplined society such as that of the Soviet Union, I must say that the answer is "no." —*George F. Kennan*

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IS CONVICTION ENOUGH?

BY H. H. WILSON

No one recently in Britain should have been surprised by the results of the October General Election. It was all too painfully apparent that the Labor Party had neither the leadership nor policy capable of arousing the enthusiasm of a populace intrigued by its first taste of a consumption economy. It is undoubtedly premature to interpret the results of the election as spelling the doom of the Labor Party. It still has over 12 million voters and holds 258 seats in the Parliament. Yet the fact remains that the Conservative victory, the third in a row, was an unprecedented event in British politics, and for the fourth time there was a decline in Labor's share of the total vote.

In the months ahead there will be as many interpretations of these results as there are pundits, and the Labor Party will certainly be urged to purge itself of its "old time socialist religion." Within the Party, Mr. Douglas Jay, former Parliamentary Secretary to the Chancellor of the Exchequer and intimate of Mr. Gaitskell, has already suggested that phrases linking the Labor Party with the working class be eliminated from its vocabulary, and its name be changed to "Labor and Radical" or "Labor and Reform." In this country *Business Week* has echoed this suggestion in concluding that "the large socialist content in Labor's welfare state approach no longer has any wide political appeal. If Gaitskell is to keep his party strong, he must move to the right, build it into a middle-of-the-road party, and perhaps give it a new name."

In opposition there are those within the Party who believe that electoral success can never be achieved merely by promising to operate the Welfare State more efficiently than the Tories. Those on the Left in the Party, the minority who believe in socialism, argue that the dominant Gaitskell group offered voters no real alternative to Conservative policy. They insist that nationalization of the indus-

H. H. Wilson, professor of Political Science at Princeton and a frequent contributor to MR, recently spent a year in Britain gathering material for a book.

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trial base is essential to the attainment of socialism, though they harbor no illusion that mere change in the form of ownership automatically provides public control or responsibility.

Since 1948 when the Labor Government obviously ran out of steam, though it clung desperately and forlornly to office without power for another three years, there have been repeated efforts to "re-think" the meaning of socialism and to devise policies for the Party within the context of a coherent theory. Given the bureaucratic structure of the Party, Mr. Attlee's total lack of interest in ideas, the hostility of the trade union leadership, and the refusal to spend money for an adequate research department, it was inevitable that intellectual stimulation had to be generated from outside. *Conviction** represents the most recent and certainly the most stimulating discussion of the dilemma of the British Left. It is to some extent a reply to the nihilism and defeatism of *Declaration,* a collection of essays by young British writers which sold 25,000 copies within three months of its publication in 1957. Aware of the real achievements of the Attlee Government and equally conscious that little progress had been made toward the establishment of a socialist society, Norman Mackenzie, an editor of *The New Statesman,* brought together eleven young writers, scholars, social analysts to consider the long-run direction of British society. For an American it is a minor miracle that such talented individuals are actually *involved* in politics. Whatever their ultimate influence they are at least in a party and able to participate in the discussion of policy with some sense of purpose. Each of the twelve essays attempts to chart a positive program in a specific area for the next Labor government, and each is a powerful re-affirmation of faith that man can control the technology he has created to serve ends worthy of human beings. All the essays justify careful reading and thorough discussion. I have elected to discuss those most immediately useful to my own understanding of contemporary Britain.

In setting the framework for his colleagues, Norman Mackenzie effectively summarizes the 1945 Labor government achievement and the source of the Party's present impasse. "It is now quite clear that the program on which the Attlee Government worked so hard was designed in its essentials to liquidate arrears, to create the social and economic pattern which was the alternative to Baldwin's England." Success in marrying "social reform to a capitalist boom" produced

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a better society, but led to "a paralysis of Socialist thinking." The question is whether anything more was intended.

Making some use of Burnham's thesis in *The Managerial Revolution,* Peter Shore has provided a brilliant sketch of the corporate society evolving in Britain. He is convinced that there is a transfer of power from individual shareholders to institutional and corporate managers. This does not mean any significant change in economic motivation, nor does it mean, à la Berle or Crosland, that the use of this power will be more responsible. Neither does this shift of power lead "to greater equality, to a more rational economic system, to the decline of class institutions or the democratization of power." On the contrary, it perpetuates and strengthens class rule. Privilege is now financed by the corporations. One result is that official statistics on income distribution are inadequate and misleading. The taxation that limited dividend flow to individual shareholders has served to multiply corporation reserves. There has been, for example, a fivefold increase in retained profits. This has made possible the use of corporate funds to compensate the managers for higher personal income taxes. Managerial perquisites now include the provision of pensions, cars, expense accounts, interest-free loans, the use of country houses and city apartments, as well as providing chauffeurs, butlers, and gardeners. "A third of all new cars, a quarter of travel expenditure and five per cent of drinks are now bought on business accounts."

Because the corporate managers are able to transmit their special privileges to their children, Shore concludes that they constitute a class rather than an elite. Corporations pay the school fees for the children of executives, or provide closed scholarships for the benefit of employees' children, and provide endowments for the elite schools. With the opening up of university education through the provision of state scholarships, the corporations are turning more and more to the exclusive schools for management recruits. "Rugby, for example, in the early post-war years sent something like a third of its school leavers into industry. Last year well over half embarked on industrial careers." And the schools are increasingly reshaping the content of education to meet the special requirements of a managerial society. "The science side is being greatly strengthened, helped by such inducements as the £3,500,000 industry fund created for the purpose. There has never been a time when industry and the elite schools have been in closer contact with each other, or more aware of their mu-

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tual problems, or more anxious to serve each other. . . . It is this close connection between industry and the public schools that has prevented and will prevent any major break in the continuity of our ruling class. In Britain at any rate, the emergence of a new industrial society is not producing a new ruling class but is providing instead a new managerial base for the established order."

Those who would argue that under either a Conservative or a Labor government the state is dominant and therefore the growth of corporate power is balanced by countervailing power, ignore reality. "For the truth is that the State lacks the personnel, the machinery and the will to exercise effective control." Rather than regulation there is a network of advisory and consultative committees, the insidious informal discussions of the "old boy" circuit, and the extensive exchange of personnel as business and government merge. The conception of state control becomes very nearly meaningless. Thus "the decision to raise the Bank Rate to seven per cent was not reached through careful analysis in the Treasury but arose from the collective gossip of leading men in high places."

Nationalization is no panacea. Unless a Labor government faces up to the facts of power and devises counter-pressures, including real control, accountability, and active participation at all levels, Shore is convinced that the extension of nominal public ownership would serve only to strengthen privilege and class control. He cites the example of the "nationalized" Bank of England. The Bank Nationalization Bill of 1946 actually gave the Chancellor of the Exchequer power to issue policy directives to the Bank. The power has never been used: "The administration of the Bank was left under the new regime, exactly as before. The Government does not even decide the Governor's salary . . . the affairs of the Bank have never even been debated in the House of Commons—until, that is, the publication of the Bank Rate Tribunal's Report."

Two essays by Brian Abel-Smith and Peter Townsend destroy the illusion that the Welfare State has eliminated poverty, achieved income redistribution, or ended the need for reform. It is clear from their work that the major beneficiaries of the public social services in Britain have been the middle classes. There is nothing specifically socialist in their proposals for advance, unless it is the proposal that *all* citizens be provided with "the type of social security the middle classes expect and usually get." Any government genuinely concerned for the nation's welfare has here in outline a fifty-year program. Per-

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haps the most impressive aspect of the work of these scholars is their deep faith in people and their insistence that no democratic society can treat any of its people as second-class citizens. This means abandoning the notion of the "national minimum," the bogus subsistence standard, and the provision of social services on "the cheap." How does society decide what to spend on welfare? Abel-Smith suggests a simple way: "Take a cross-section of population, show them the standards in the Welfare State and then ask them the following questions. Would you let your mother go into this home? If your husband had a nervous breakdown, would you like him to live in this mental hospital? Would you let a child of yours go into this institution if you couldn't look after it? If you lost your home, would you like to live here while you looked for another? And finally, if you don't like the look of the Welfare State, now you have seen it, would you be prepared to pay a few more shillings a week to have it put right?"

In this context Iris Murdoch's challenge to socialists to build "a house of theory" is most effective. She asks the basic question: "How are we to keep *thought* about Socialism and *moral concern* about Socialism alive in a Welfare State?" Concentration on techniques of planning, public ownership, taxation, and investment problems cannot serve as a substitute for theoretical speculation on the aims and meaning of socialism. There has undoubtedly been very real advance in the technical knowledge essential for directing and controlling the economy. "We have the techniques: *these* we can explain clearly. But we give only a rather brief and denuded explanation of our ideals." Yet there are many who are convinced that socialism will never arouse enthusiasm among the postwar generation merely by demonstrating greater productive efficiency. Miss Murdoch is profoundly correct to stress that "it is the absence of theory which renders us blind. . . . *It is dangerous to starve the moral indignation of the young.*" (Emphasis added.)

Socialism must somehow inspire and convince those who reject "people's capitalism" even if it could indefinitely sustain full employment, the production of gadgets, and television quiz shows. Perceptive individuals sense the fundamental degradation of human values inherent in the acquisitive society. The cash nexus, the pursuit of privilege, the concept of human beings as bottomless waste bins for the disposal of so-called consumer goods corrupt every facet of society. The content and values of modern advertising are the ultimate expression of capitalism's interpretation of the purpose of life.

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And in Britain, as in the United States, advertising has superseded home, church, and school as the arbiter of values, the moral governor, the spokesman for human aspirations.

All these writers are fully aware that the very success of a reform government undermines its political appeal, diminishing both the case for further change and popular support. Whether a party committed to democratic procedures, to gaining popular approval in a capitalist society, but equally determined to institute fundamental change in the class structure, in the distribution of wealth and privilege, in the ethics and values of a competitive, acquisitive society can succeed remains, at best, a moot question. The fact is, as *The Economist* recently (October 17, 1959) emphasized, "the Labor Party has never been a socialist party in any meaningful sense of the word." What was achieved in 1945-1948 was pretty much what the leadership of the Party and trade unions considered to be the "good society." They sought a fair deal for working people, including higher living standards and greater opportunities, and increased security for the lowest income group. It is interesting to recall *The Economist's* reaction of November 24, 1945, when Mr. Morrison announced the list of industries to be nationalized. Calling the list "most moderately short," the editors went on to observe that "an avowedly Socialist Government, with a clear Parliamentary majority, might well have been expected to go several steps further. . . . There is thus no call for anyone who survived without terror the shock of the election results to feel alarm now. If there is to be a Labor Government, the program now stated is almost the least it could do without violating its election pledges."

What of the future? What is the prospect that the analysis suggested in these perceptive essays will inform crucial decisions confronting the Labor Party? One must be sanguine indeed to believe that in the foreseeable future the Party leadership and trade union officials are going to formulate and push for a socialist program. If labor is the primary "potential lever of change," there is no apparent basis for enthusiastic anticipation. It may be a matter of personal temperament, but I am inclined to think Miss Murdoch more realistic in her estimate of likely working-class response than are Raymond Williams or Richard Hoggart. There is, she agrees, "a proletariat in the fundamental sense intended by Marx . . . a deracinate, disinherited and excluded mass of people" but one that "increasingly lacks any concept of itself as deprived." There is, furthermore, some evi-

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dence to suggest that Labor voters and working class are most susceptible to the attractions of the "American way of life" as interpreted by British advertising, Hollywood movies, and commercial television. Conservative Party professionals who worked with major advertising agencies to bring Britain the blessings of commercial television were astute enough to recognize its political impact on nominal Labor supporters. American experience may not be completely irrelevant. In this country, it is apparent that a high level of consumption, sustained by installment buying, has proven effective in housebreaking labor and side-tracking discontent.

A British socialism which stressed the quality of life, as well as rational productivity, which acted on the necessity for disarmament, which offered not higher living for a relatively privileged people, but the prospect of actually diminishing consumption at home so that capital could be poured into underdeveloped areas, and which was determined to destroy the institutional framework of a debilitating class system—such a socialism would win respect but not office. Anything less will merely degrade and cheapen the meaning of socialism.

I do not want a society in which an *élite,* viewing the world through Board Room windows, makes the big decisions, collects the big rewards, while the mass of men deprived of power and responsibility dig their gardens or watch the telly.

I want instead a society which shapes its institutions so that men may become self-determining, their own masters. For we are in the end what society allows us to be: adults or children, masters or men, apathetic or involved. Humanity can only develop if we have faith in its innate capacity, if we refuse to believe that men are what they are because they can be no different. This is for me the starting point of democratic Socialism and the basic cause for social change.

—*Peter Shore,* Conviction

Military thinking—if one does not dignify the profession overmuch by using such a phrase—is neither arrogant nor self-assertive: it merely states as calmly and rationally as possible the facts of essentially irrational conduct —the settling of disputes by the use of force.

—*Hugh Thomas,* Conviction

Good government is no substitute for self government, especially since good government, in the face of revolt, ends by using the methods which are used against it. . . . Good intentions end in the tragic futility of estimating your achievements by the tally of the dead. And to this end must come all those who claim the right to decide the welfare of others against their wish.

—*Peter Marris,* Conviction

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WORLD EVENTS

By Scott Nearing

Unhappy Cuba

Cuba is an island, about the size of Pennsylvania, separated by a narrow waterway from Florida. There are six and a half million Cubans. The island has an abundance of fertile soil and considerable mineral wealth. Its principal cash crop, sugar, is marketed chiefly in the United States. Large areas of the Cuban economy are owned by United States interests.

Cubans won their independence from Spain in 1898, with the help of United States armed forces. Five years later they agreed to lease Guantanamo Bay to the United States for about $275 per month. The leased area, containing some 28,000 acres, is occupied by an important United States naval base.

Success of the Castro revolt against the Batista regime opened a new era in Cuban affairs. The revolutionary program advocated by Castro upset many vested interests in Cuba. It also threatened United States investments.

Fidel Castro's proposals to divide up large landholdings, to nationalize mineral resources, and to terminate the Guantanamo Bay lease have aroused sharp opposition in Washington. Interference with the sugar interests in Cuba will be met by a restriction on the sale of Cuban sugar in the United States market. If the Guantanamo lease is repudiated, the State Department threatens a break in diplomatic relations with Cuba. In legal theory, Cuba is an independent state. Practically, United States investors, diplomats, and military strategists treat Cuba as an integral part of the United States sphere of influence. Cuba's dream of independence and self-determination is overshadowed by the Yankee Peril.

Cuba's plight recalls the comment of the Mexican dictator Porfirio Diaz: "Poor Mexico! So far from God and so near the United States!"

Sinews of World Power

Premier Khrushchev and Ambassador Lodge, travelling back and forth across the United States, traded arguments on the relative

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merits of capitalism and Communism. American capitalism, as Lodge described it, was building a welfare society and a co-fraternity of states in the Western Hemisphere. The Ambassador's statements are contradicted, not only by radicals, but by conservative members of his own political household.

Here, for example, is Hanson W. Baldwin, *New York Times* military critic, in the magazine section of that paper of Sunday, October 25, with map, chart, and printed word, outlining "Bases Important to United States Defense":

> To the United States, overseas bases have major military, political and psychological importance. In the Western Pacific the U.S. position and its prestige and influence in Asia are maintained primarily through utilization of a string of island bases extending from the Aleutians to the Philippines. From these bases U.S. sea and air power—the two strongest elements of our military power—operate in defending Taiwan, in guarding South Korea, in aiding Laos and in influencing the course of history on the Asian continent.
>
> Loss of the Western Pacific bases would immensely complicate the military operational and supply problem of the U.S. Seventh Fleet and the tactical air forces assigned to the Western Pacific, and might imply a rollback of U.S. influence to the Marianas or even Hawaii. Equally important, our capability of fighting limited actions against limited aggressions in the Western Pacific-Asiatic area would be impaired. . . .
>
> There are many reasons why overseas bases are still of key importance to U.S. strategy. They provide dispersion and reduce the danger that any enemy could, by surprise attack, knock out our nuclear retaliatory power. They enable the United States to fight limited wars, to meet minor aggressions with graduated force. Without them our tactical forces could not be utilized effectively. Politically, the bases offer our allies visible assurance that the U.S. remains committed to their defense and will not abandon them to the overwhelming power of the Soviets.

There we have United States foreign policy in three paragraphs. United States bases are to remain around the Northern Hemisphere. They are retained because they are an asset in winning limited wars. They are an aspect of cold war strategy. They assume that the United States will continue to be a world power because its military forces are stationed in the territory of foreign states. These "gunboat diplomacy" assumptions are certainly open to question.

Once upon a time international issues were settled with diplomacy if possible and with guns if necessary. Present-day Asian, African, and

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even Latin American nations are impatient of restraint and highly suspicious of Western military units quartered on Asian-African soil. If present trends continue, military occupation of these areas by foreign personnel and equipment will be increasingly unpopular. Sooner or later Washington must learn what London, Paris, Rome, and Madrid are gradually realizing—that the day of imperialism-colonialism is yielding place to cultural exchange, cooperation, and mutual aid among the builders of a socialist world.

Aggression on China

Brigadier General Hugh B. Hester, U.S. Army, Retired, wrote a letter to the editor which appeared in the *Philadelphia Inquirer* on October 23, 1959:

> The United States Government is in effect accupying two off-shore islands of mainland China which are within rifle range of that coast.
>
> This is an intolerable situation that no power, whether Communist or not, will permit any longer than it is powerless to do otherwise. Both of these islands are historically and geographically just as much a part of mainland China as is Staten Island a part of the United States, and they are just as essential to the defense of China as is Staten Island to the United States.
>
> Unless and until we are willing to recognize this basic fact there can be no permanent peace in Asia and the responsibility for war there will be that of the United States, not that of China.

General Hester's facts lead to only one possible conclusion: Taiwan and the adjacent offshore islands are Chinese territory which the United States has invaded and is occupying. Those who desire peace in the Pacific must see to it that United States military forces are withdrawn at the earliest possible moment from the Taiwan area and from every other non-United States territory.

Uniting the New World

Both negative and positive forces are unifying the new world. The negative ones come chiefly from the old world. The positive forces are generated in the new world. Recent figures for Chinese foreign trade bear out these observations.

State Department policy called for the strangulation of the Chinese economy. Lacking roads, railways, and airways, China leaned heavily upon water transport. Rivers and canals brought goods from the interior to the coastal cities and back from the coast to the interior. What could be easier, argued the anti-Communists, than a

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blockade of the China coast, coupled with a worldwide agreement among the anti-Communist powers to limit or suspend trade with Peking and thus bring the new regime to its knees?

Blockade was inaugurated under the leadership of a clever, unimaginative, international lawyer who was then Secretary of State. While the world watched and waited, the Secretary predicted an early collapse of the Chinese economy.

The predicted and expected did not come to pass. Instead, People's China completed its first Five Year Plan ahead of schedule. Then, raising the tempo, it is pushing forward to complete its second Five Year Plan in less than three years. A study published in the September 22, 1959, issue of the *Peking Review* presents the facts of expanding Chinese trade and offers an explanation.

Cut off by the Washington-directed blockade from the West, People's China turned first to the fraternal socialist-building countries. At the same time she expanded her trade with other parts of the East. By 1958 the volume of Chinese trade with other socialist countries was more than six times as much as in 1950. During the same period, China trade with Asia-Africa more than doubled. The Soviet Union furnished materials and technical aid for 166 major projects under China's First Five Year Plan, January 1953 to December 1957. (For details, see the Monthly Review Press book, *The Chinese Economy* by Solomon Adler, Chapters 5, 8, and 11.) Additional agreements in 1958 and 1959 provided for further Soviet aid on another 125 Chinese projects. Eastern European socialist countries have provided help for the building of 68 Chinese establishments. The socialist countries furnished People's China with 80 percent of imported machine tools, 91 percent of imported diesel engines, 85 percent of drilling equipment, 92 percent of trucks, 96 percent of locomotives, 97 percent of petroleum.

People's China has paid for these and other imports by exporting minerals, agricultural products, foodstuffs, consumer goods, and handicraft products. People's China has also been able to supply North Vietnam, Mongolia, and North Korea with industrial equipment for small and medium-sized enterprises such as textile mills, match factories, paper mills, glass works, brick kilns, and rice hulling mills.

New-world countries have a common positive desire—to build socialism. Another potent unifying force is outside pressures, aimed at constricting and destroying, which have driven socialist countries to defend and assist one another.

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Another First

Soviet Russia is mass-producing machine tools on assembly lines. The consequent savings parallel similar savings in other fields that have turned from made-to-order to ready-made.

This news does not come from Soviet sources, but from a United States expert, Professor Seymour Melman of Columbia University, who has been making a comparative study of machine tool production costs in the United States, Western Europe, and the Soviet Union. Professor Melman found that machine tools of comparable quality were being produced in the Soviet Union for less than half the man-hour outlay required in Western Europe and the United States.

"If present trends continue," Prof. Melman noted, "the Soviet Union will, in a few years, have a world lead in efficiency in the production of machine tools, the basic equipment of modern industrial economies. This will be owing to the growing use of mass production, standardization and allied methods in the Soviet industry." The outcome of such a situation is "political-economic victories" for the Soviet Union. (*New York Times,* October 26, 1959.)

Western manufacturers of machine tools must continue to lose markets so long as they produce only in small quantities. "The effect of being defeated by this competitor will be nothing less than a full-scale economic and political disaster. . . . For whoever supplies the basic machinery of modern industry becomes the natural source of allied technology, training, and methods of organization for industrial life. A preferred position as an efficient supplier of basic industrial equipment leads to political and other ties in all other aspects of life in industrial societies."

There is only one possible conclusion from these findings. The Soviet Union has scored another first. Unless and until the western world turns from its obsolete methods to rationalized procedures in machine tool manufacturing, it will be undersold and driven from the world markets.

United States leaders who have assured one another that episodes like sputnik and lunik were more or less accidental and that Western techniques were basically sound and well in the lead, must have another look. If Professor Melman is right, the foundations of western supremacy are being undermined by Soviet scientific and technical advances.

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Priorities

Soviet Russia's 1960 Budget anticipates revenues of 772 billion rubles, expenditures of 745 billion, leaving a surplus of 27 billion rubles. Defense expenses remain constant at 96 billion rubles. Outlays for science, set at 33 billion rubles, will be 15 percent higher than the previous year. Government revenues will come largely from industries and trade enterprises.

An Eye to the Future

Admirals and generals usually prepare to fight the previous war. Social researchers delve into the past or the exotic. Humanity must live in the present and prepare to live in the future, which begins tomorrow.

We have a letter from a publishing house in Argentina proposing that we prepare a revised edition of *Dollar Diplomacy,* which was published thirty-three years ago. We have replied that the period of the 1920s is past, beyond recall, while that of the 1960s stares us in the face. We suggested that the 1920s be left to the tender mercies of historians. As for the 1960s, man's happiness and well-being will depend upon the successful ending of the arms race, upon the peaceful coexistence of all social systems, and upon the continued upsurge of socialist construction.

It is about violence itself, and the corruption it works both on the individual and on the community, that we need to think afresh. . . . For, deep down, the argument about the hydrogen bomb is not an argument about any particular weapon, however "different. . . ." The argument is about the place of violence in our lives, and the alternatives to it. And as Socialists we must say once and for all that we have our own binding rule. We may resort to violence, exceptionally, when something can be achieved and there is no other way out, although in doing so we must not forget that it constitutes a defeat and implies an acceptance of moral dangers. But if we consent to live by violence, within its protecting arm and by its leave, to depend upon it and to lose control over it, then we have gone hopelessly astray.

—*Mervyn Jones,* Conviction

Effective democracy is not a simple, cut-and-dried matter. It is not two parties, or the universal ballot, or even these plus universal education. If you have all these and the administrators do many things for the benefit of the few and to the dis-benefit of the many, something is phony. And if you don't have all these but nevertheless things usually get done that are to the benefit of the many, it can't be so phony.

—*Lloyd Donnell*

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(*continued from inside front cover*)

have brought joy to McCarthy. Right now Highlander Folk School, for 28 years devoted to supporting the rights of workers and Negroes in the South, is in imminent danger of being closed permanently by the State of Tennessee. This integrated school is charged with violating a 58-year-old Tennessee segregation law and of being run solely for the benefit of Myles Horton, the director of the school. The Montgomery (Ala.) Improvement Association, of which Dr. Martin Luther King, Jr. is president, declared the attack on Highlander a threat to every individual and organization working for integration in the South. Highlander faces prolonged litigation and needs financial help. Checks should be made out to Highlander Folk School, for the Defense Fund, and mailed to the chairman of the school's executive council: Dean B. R. Brazeal, Morehouse College, Atlanta, Georgia.

The blackout on reviews of MR Press books continues in the commercial press, and readers who write the editors get back the standard reply, "No space." The *Saturday Review* added, in one instance, "It is definitely *not* a reflection on the brilliant Dr. Bernal or his book." The problem of space is a real one—except that in most journals which run reviews one always wonders why so much space is wasted on so many worthless books. Nevertheless, the liberal journals do notice us occasionally—*Conviction* got the lead review in the Fall Book Number of the *New Republic,* and a few weeks before that the *Nation* ran an excellent review of the same book. Publication date for *The Alienation of Modern Man* by Fritz Pappenheim is December 17 and the many readers who have bought it at prepublication price have already received their copies and can judge for themselves whether "No space" is a satisfactory excuse for not receiving the book. Remember that you can still buy *Alienation* and other MR Press books at bargain prices—see page 288. Be sure your order is postmarked not later than Dec. 31.

Just received from a subscriber in Massachusetts: "Each month when MR comes I feel 'alive' inside. So here is my small contribution." If you, too, feel "alive" when MR comes, won't you spread the feeling by sending MR to your friends for Christmas? We have cut the price of gift subs so the more you give the cheaper they become. As you will see on the back cover, the first gift sub costs you $3 (as against the regular rate of $4), the second costs $2.50, and the third costs $2. Thus, if you give three new subs the total cost to you will be only $7.50. If, however, you give four or more new subs, the price will be only $2 apiece up to any number you want. This means you can give four new subs for $8, five for $10, and so on. As we have repeatedly told you, most of our new subscriptions come from old subscribers. This special gift-sub arrangement is a good deal for us and for you and for the new readers of MR. We count on you to help—right away, please.

Our thanks to those who responded so quickly to our request for copies of O'Connor's *The Empire of Oil.* The replacement books chosen have been dispatched. We have, also, a list of magazines in short supply which we need very much. If you are the possessor of any of the issues listed below and will send them to us, we will be happy to add an additional two months to your sub expiration date for each magazine returned to us. But please, only those on the list—no others!

Vol. I—Numbers 11 and 12; Vol. II—Nos. 5, 7, 8, 9, 10; Vol. IV—Nos. 11 and 12; Vol. VIII—No. 5 and Vol. X—No. 3 and 4.

Season's greetings to all, and a special thanks to those good friends who have joined the Associates and are sending in new subs.

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